From: To:

Lynn Kunzler Penny Berry

Date:

3/17/2010 6:24 AM

Subject:

Fwd: Re: Reclamation Surety, Tintic Operations M/049/0062

Penny:

Could you please respond to Jeff (via email) with the information he needs to retitle the CD for the Tintic Operations. Thanks.

>>> Jeff Bates <jbates@digifonica.com> 3/17/2010 12:26 AM >>> Lynn

Thank you for your email, my apologies for not acting on this sooner. At present I am overseas and therefore unsure how to escalate this further. If you advise me on the steps that we need to take to get the retitling of the surety done (and what it needs to be retitled to) I can act on this while overseas. Your input would be much appreciated. Thanks.

Jeff Bates

On 15 March 2010 13:30, Lynn Kunzler < lynnkunzler@utah.gov > wrote:

> Jeff:

>

- > On August 19, 2009, the Division sent you a letter outlining outstanding
- > issues that needed to be addressed prior to
- > our issuing final approval of the Tintic Operations mine permit. On
- > September 16, 2009 we received your response,
- > addressing all issues except the replacement or retitling of a \$39,800 CD
- > With regards to this issue, you indicated that
- > it was being worked on. To date, we have not seen any progress. Without
- > the correct titling on this CD, the Division
- > cannot consider it part of the surety amount, which means that there is
- > insufficient surety for your operation (in violation
- > of the Utah Mined Land Reclamation Act).

- > PLEASE take care of this *immediately! *
- > Since the remainder of the surety for this site is Cash, it may be easier
- > for you to send us a check for the \$39,800 which we
- > can add to the cash account. We would then release the CD.

- > If this issue cannot be resolved within the next 30 days, enforcement
- > action may be the next step.

Jeff Bates Chief Financial Officer Digifonica International Inc. (e) jbates@digifonica.com